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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 13, 2011

Daniel Wolfe
Red Wolf Development, Inc.
1584 South 580 East, Suite A
American Fork, Utah 84003

Re: Denial of Full Surety Release Request, Red Wolf Development, Inc., Red Wolf MPI Mine, S/039/0021, Sanpete County, Utah

Dear Mr. Wolfe:

On November 1, 2010, the Division of Oil, Gas and Mining received your request for a full release of the reclamation surety for the Red Wolf MPI mine. Due to deficiencies in the reclamation work identified during site visits this winter and spring, the following reclamation activities will need to be complete before the surety can be released:

- Removal of landscape rock stockpiles from the site,
- Additional earthwork to fill in a few pits (particularly in the northwest edge of the site), and
- Removal of trash (including paint containers).

On May 26, 2011, the site was inspected, and the vegetation was determined to be insufficient for final site release. Following the approved completion of the reclamation activities identified, an undetermined amount of surety will need to be held until acceptable revegetation is established.

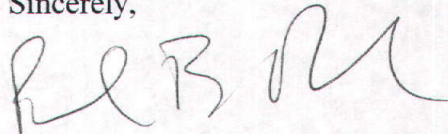
In recent phone calls with Peter Brinton, you indicated that the landowners are satisfied with the current level of reclamation at the site. The Division requests that the landowners send correspondence to the Division identifying the post-mining land use.

We understand that the unusually wet spring weather may have made reclamation difficult or impractical during recent months. When you are ready to reclaim, and as discussed in recent phone calls, Division mine lead Peter Brinton is willing to visit the site to identify the reclamation activities needed.

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Daniel Wolfe
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June 13, 2011

If you have any questions or concerns regarding this letter, please contact me at 801-538-5261 or Peter Brinton at 801-538-5258. In response, please reference our file number S/039/0021 regarding this project.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Minerals Program Manager

PBB:pnb:pb

cc: Bernice Coate & Allen Shelley, Land Owners

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